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ABSTRACT

This digest discusses research on economic gains for community college students and explores whether a community college education serves to minimize the wage gap between women and men and between advantaged and disadvantaged groups. It summarizes research that supports the assertion that a community college education offers economic advancement over and above the high school diploma. One study cited in the report documented a 15% increase in income between high school graduates and individuals with some college or an associate's degree. The digest also discusses two contradictory studies concerning the relationship between an increase in education and the absolute earnings gap between men and women. For all other group comparisons (black versus white, low-income versus non-low-income), the research suggests that while community college degrees improved job status and earnings for everyone, the gaps between the advantaged and disadvantaged increased both relatively and absolutely with sub-baccalaureate education. Policy and practice suggestions are offered for creating equitable economic and social outcomes for students. One example would be to combine academic and applied learning in classroom training in order to connect education and the workplace. (RC)

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Digest

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Introduction

One of the motives for seeking an education in the community college is to increase earnings. Because greater income and improved job status are associated with higher living standards, the community college can also act as a bridge to enhanced social mobility. This digest discusses research on economic gains for community college students and also explores whether a community college education serves to minimize the wage gap between women and men and between other advantaged and disadvantaged groups, bringing about greater equity for all.

Economic Benefits

Relative to high school graduates, those who attain associate degrees or complete some college (at least 30 units) earn more money (Grubb, 1999). Overall, high school graduates earned a mean salary of $22,895 in 1997 compared to $26,235 for students with some college or an associate degree; this represents almost a fifteen percent increase from one level to the next (Phillippe & Patton, 2000). Grubb (1999) makes the following points:

- Clearly there are returns for students who complete associate degrees, though the rate of return for certificate or credential completers is less clear because the data are not always available.
- The economic benefits of completing twelve credits or less at the community college are insignificant.
- Economic benefits may take a few years beyond program completion to materialize.

Overall, the data indicate that the community college offers economic advancement over and above the high school diploma.

Although baccalaureate-level degrees are often touted as increasing earning capacity beyond what can be earned with sub-baccalaureate degrees and certificates, Carnevale (2000) reminds readers that these figures represent *average* earnings. In actuality, almost 80 percent of employees with associate degrees or some college earn as much as those with bachelor's degrees, while one-third of the individuals who earn at least as much, in fact, earn more than the average four-year graduate. Similarly, Lin and Vogt (1996) found that associate degree and certificate holders earned more on average than their peers who initially attended the community college and then transferred.

Associate degrees that lead directly to good jobs are distinguishable from those that lead to transfer, as the latter tend to incorporate general education requirements instead of specific job-related skills. According to Kienzl and Woods (as cited in Phillippe & Patton, 1998), "hot programs" leading to jobs paying $30,000 or more in 1997 included Digital Systems, Facilities Technology/Maintenance, Dental Hygiene, and Manufacturing Process Technology.

Carnevale (2000) suggests that it is the occupation – not necessarily the level of the degree – that determines salary. Grubb (1999) adds that high returns are possible for sub-baccalaureate degree holders from occupation-oriented programs assuming that they find jobs in fields related to their degrees. He reports that less than 60 percent of men with associate degrees find work in related fields, but that the same figure for women with associate degrees is greater than 60 percent. The degree/job overlap is especially pronounced for women who pursue business and the health fields. Fifty-five percent of individuals with certificates enter related fields. In general, the mechanisms in place at community colleges to link students with degree-applicable jobs are available but often inadequate, suggests Grubb.

Wage Gaps

While some advocates of the community college point to its democratizing impact, critics are wary of the "non-egalitarian consequences" of community colleges. Brint and Karabel (as cited in Dougherty, 1994) argue that the community college serves to "divert" the masses away from baccalaureate institutions, resulting in lower educational and economic attainment for community college students. Still, we have seen that the community college does improve earnings over and above what students would have earned had they entered the labor force with a high school diploma. Furthermore, Grubb (1999) indicates that the likelihood of entering higher-status jobs increases with postsecondary education, including education at the community college level. Thus, if community colleges bring economic benefits to students as a whole, what can be said about the ability of these institutions to minimize the earning gaps between women and men, underrepresented minorities and whites, and low-income and non-low-income individuals?

Lin and Vogt (1996) point out that earnings comparisons can be made both relatively and absolutely. Suppose a person earns $5,000 per year as a high school graduate but $10,000 as an associate's degree holder. The absolute salary increase is $5000. But, compared to his or her original salary, the person's income increased by a relative rate of 100 percent.

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According to Lin and Vogt (1996) and to Grubb (1999), the percent increase in wages from the high school diploma level to the associate degree level is greater for women than it is for men. Though the percent increase in wages is greater for women than men, Lin's and Vogt's analysis showed that, in an absolute sense, the wage gap between women and men widened. This may be partly the result of a very low base wage for women in their study who had only high school diplomas. This finding is inconsistent with more recent data reported by the National Center for Education Statistics (1999) demonstrating that the absolute earnings gap between men and women decreases as education increases. It appears that relative to their earning potential as high school graduates, women tend to benefit more from an associate degree than do men.

For all other group comparisons (black vs. white and low-income vs. non-low-income), Lin and Vogt (1996) discovered that, while community college degrees improved job status and earnings for everyone, the gaps between the advantaged and disadvantaged groups increased both relatively and absolutely with sub-baccalaureate education. Grubb (1999) reports conflicting findings: Compared to the high school graduate level, returns for black students who complete associate degrees are greater than for white students. At the same time, he tempers his comments with the reminder that "the slightly higher returns for blacks are undermined by [their] lower completion rates."

Policies and Practices to Improve Equity

To create equitable economic and social outcomes for students, several authors have suggested the following (Jenkins & Fitzgerald, 1998; Coccia, 1997; Carnevale, 2000):

- The community colleges should provide initial/ continuing technical training for educationally and economically disadvantaged students such that the students receive technical training to improve their income and job status.
- Community colleges should be offered incentives to serve the poor and other underrepresented groups.
- Partnerships between employers and community colleges and between community colleges and service agencies or other community-based organizations should be created to serve students in need of greater social and economic mobility.
- Classroom training should involve both academic *and* applied learning in order to connect education with the workplace.
- Disadvantaged students need to receive career guidance and mentoring. They should also be provided with the opportunity to volunteer, as the experience of helping another person can be satisfying and empowering.

Conclusion

While the improved economic outcomes for attending community college are documented and substantial, there still exists a gap in actual earnings between advantaged and disadvantaged groups. According to some authors, this gap widens as a result of education beyond the high school diploma. At the same time, on an individual level, students with two-year degrees earn more than if they had entered the workforce with only a high school diploma. As community college leaders increase their efforts to enroll and support students from economically and educationally disadvantaged groups, more of these students will have the opportunity to complete programs in the higher paying fields, perhaps reducing the wage gap when these individuals complete their degrees.

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